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Annual Report

STATE BOARD OF HAIL INSURANCE

To Montana Grain Growers



1948 BUSINESS SUMMARY

Total risk written.....	\$ 6,643,254
Premium charge	\$ 584,309
Losses paid	\$ 523,894
Policies issued	3,225
Loss claims filed.....	969
Total acres insured.....	739,227
Acres reported damaged.....	166,743
Average insurance per acre.....	\$8.98
Average acres insured per policy.....	229
Number of days with hail.....	41
Loss ratio	7.8%
Average cost per \$1,000 of protection.....	\$87.96
Average cost of insurance.....	8.8%
Operating expense ratio.....	3.9%

**PAYMENTS ON STATE HAIL INSURANCE
LOSSES MAY BE ASSIGNED BUT ARE NOT
SUBJECT TO GARNISHEE OR ATTACH-
MENT.**

**THE OPERATION OF THE STATE HAIL
INSURANCE FUND HAS BROUGHT MUCH
LOWER RATES FOR HAIL INSURANCE
TO THE MAIN WHEAT BELT IN MON-
TANA FOR MANY YEARS.**

See pages 6 and 7 for full information on
how to obtain State hail insurance.

March 15, 1949

Hon. J. W. Bonner, Governor
State of Montana
Capitol Building

Dear Governor:

In compliance with the Hail Insurance laws, I am herewith submitting a report on the operations for 1948 together with cumulative data for all years back to and including 1919.

1948 was a favorable year, but the continued increase in the size of the business has made the operations a little difficult.

The risk written, the premium charge, losses paid, policies issued and the number of acres insured, all exceed the figures for any previous year. To give you an idea of the increase in recent years, here is a comparison of the totals for 1948 compared with 1940 and 1941.

	1940	1941	1948
Total risk written.....	\$919,895	\$2,954,577	\$6,643,254
Premium charge	71,450	163,601	584,309
Losses paid	95,483	145,400	523,894
Policies issued	1,040	1,971	3,225
Loss claims filed.....	341	562	969
Acres insured	136,899	239,999	739,227
Acres per policy.....	132	149	229
Acres reported damaged	39,620	61,012	166,043

All losses for the 1948 season were promptly paid. First 50% payments were made in August and September, and the final 50% was paid about December 1.

At the start of the 1948 season we held over about \$150,000 which came in handy to make the first payments. For 1949, we will enter the hail season with about \$180,000 in reserve. This will be a great help in making first payments promptly on losses and also will be a big help in paying losses in full if they should happen to be excessive.

The most destructive hail storm of the season occurred on August 6. It started in Valley County and caused great damage to nearly ripe grain from there through Wolf Point, Richey, Vida, Circle, Union, Fallon and Mildred localities. The most destructive hail storms for the season were:

July 10th and 11th—In Chouteau, Custer, Fergus, Golden Valley, McCone, Powder River and Prairie Counties.

July 19—Fergus, Judith Basin and Wheatland Counties.

August 6—Valley, McCone, Dawson and Prairie Counties.

August 19—Fallon County.

Following are the Counties where the losses were most severe together with the amount of hail loss paid in each.



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Amount Paid
on Losses

McCone County	\$150,819
Dawson County	80,582
Prairie County	67,657
Fallon County	61,754

The losses were quite light from Richland to Sheridan Counties and from there west to Glacier Park north of the Great Northern Railway. Also in the Triangle as far south as Fort Benton and Great Falls. Also they were light along the southern part of the State.

Collections were good. Over 98% of the premiums were paid by January 1. Indications are that less than one percent will be delinquent at the start of the 1949 hail season. Some of those then delinquent will be chargeable to real estate so that in the end very few of the accounts will remain unpaid.

Two changes were made in the Hail Insurance laws by the 31st Legislative Assembly. The minimum rate has been 5%, and this was reduced to 4%. Under this change the Board will reduce the minimum rate west of the Continental Divide and in Deer Lodge, Silver Bow and Beaverhead Counties to 4%. The other change provided that insurance on irrigated grains may be insured up to not more than \$20 per acre. Non-irrigated grain will still be limited to not more than \$10 per acre.

The Board appreciates the splendid cooperation given by all public officers in carrying on the hail insurance service. This applies mainly to the assessors and treasurers who handle the receiving of the applications and collect the premiums.


In closing I wish to state that if you desire any further explanation or information not given in this letter and in the attached annual report, I will be pleased to hear from you.

Respectfully submitted,

STATE BOARD OF HAIL INSURANCE,

E. K. Bowman

Chairman



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DETAIL STATEMENT—RISK, LEVY, LOSSES, LOSS RATIO

County	1948 Risk Written	1948 Levy	1948 Losses	1948 Loss Ratio	30-Year Average Loss Ratio	Average Cost 30 Years
Big Horn	\$ 326,431.18	\$ 30,727.85	\$ 16,214.45	1%	6%	9%
Blaine	15,495.00	1,248.29	240.80	2	4	7
Broadwater	10,630.00	835.10	.....	0	3	7
Carbon	5,590.00	385.33	142.00	3	3	8
Carter	42,822.50	3,484.73	2,889.50	7	5	8
Cascade	117,748.70	8,259.10	765.25	1	3	8
Chouteau	775,786.86	46,932.12	22,678.63	3	4	7
Custer	37,002.00	3,331.70	3,282.30	9	8	8
Daniels	252,908.50	23,357.84	6,523.06	3	5	8
Dawson	403,653.89	38,628.66	80,581.87	20	17	9
Fallon	406,849.56	41,733.88	61,754.18	15	12	9
Fergus	370,769.98	33,393.27	26,650.04	7	9	9
Gallatin	1,038.00	80.02	.....	0	8	8
Garfield	15,698.00	1,424.91	.....	0	8	9
Glacier	55,696.00	4,068.60	.....	0	3	8
Golden Valley	89,057.50	8,811.66	3,184.91	4	11	10
Hill	151,951.00	10,490.10	184.20	1	4	7
Judith Basin	31,423.00	2,521.85	5,147.13	16	6	8
Lewis & Clark.....	7,370.00	518.77	.....	0	4	7
Liberty	221,175.00	15,242.13	5,185.92	2	3	7
McCone	792,281.00	77,903.89	150,818.65	19	12	8
Meagher	6,060.00	541.60	.....	0	11	9
Musselshell	54,633.00	5,466.76	272.00	1	14	9
Petroleum	22,840.00	2,053.82	1,024.60	4	6	9
Phillips	87,662.50	7,140.75	5,734.60	7	4	8
Pondera	101,604.74	7,293.76	3,322.96	3	7	8
Powder River	110,215.36	9,974.98	8,164.20	7	5	9
Prairie	322,691.81	32,696.45	67,657.01	21	15	8
Richland	781,621.22	78,070.60	16,488.03	2	9	9
Roosevelt	275,083.00	21,459.96	6,170.40	2	3	8
Rosebud	6,580.00	614.59	.....	0	6	9
Sheridan	166,587.75	14,799.65	593.25	1	5	8
Stillwater	43,361.00	4,231.94	172.50	1	9	10
Teton	54,915.00	3,821.29	.....	0	2	7
Toole	182,112.50	14,509.79	3,482.50	2	6	8
Treasure	33,191.00	3,330.49	2,769.30	8	14	9
Valley	31,128.00	2,503.84	2,837.14	9	5	8
Wheatland	28,605.00	2,867.64	7,733.05	27	10	10
Wibaux	117,250.96	11,355.98	9,786.15	8	8	9
Yellowstone	85,724.00	8,496.63	1,443.47	2	7	10
	\$6,643,254.62	\$584,309.85	\$523,894.05	7.8%	7%	8%

30 YEAR SUMMARY 1919-1948, Inclusive

Total risk written.....	\$ 61,981,611
Premium charge	\$ 5,157,277
Losses paid	\$ 4,446,525
Policies issued	48,417
Total acres insured.....	7,454,263
Average acreage per policy.....	154
Average risk per acre.....	\$8.31
Loss ratio	7.2%
Average cost per \$1,000 of protection.....	\$83.20
Number of losses filed.....	11,631
Operating expense ratio.....	7.6%

ADMINISTRATION ACCOUNT FOR 1948 January 1 to December 31, Inclusive

1. State office salaries and traveling expenses (chairman, clerk hire, board members' per diem and expenses)	\$ 7,372.78
2. General office expense (printing, stationery, supplies, postage, telephone, telegraph, equip- ment, insurance, employees' bonds).....	\$ 2,212.48
3. Hail adjusters' per diem and expenses.....	\$12,514.36
4. Advertising	\$ 329.33
5. Office rent	\$ 300.00
6. Car maintenance	\$ 237.62
	\$22,966.57

HOW TO GET STATE HAIL INSURANCE

APPLY TO THE ASSESSOR OF THE COUNTY IN WHICH YOUR GRAIN IS GROWING

Owners of Unmortgaged Land with Not More Than One Year of Delinquent Tax may have the assessor charge the hail insurance to the land on which the insured crop is growing and the application will not be filed with the clerk and recorder.

Owners of Mortgaged Land Will Have the Insurance charged to the land and the application containing the crop lien will be filed with the clerk and recorder.

Hail insurance will not be charged to any real estate with more than one year of delinquent tax.

Waivers of crop mortgages are not required. The lien in the hail insurance application is a first lien on the insured crop except for liens given for the purchase of the seed with which to plant the insured crop.

Any land owner with not more than one year of delinquent tax may secure hail insurance without paying cash.

Any tenant who owes a delinquent personal hail insurance tax will not be issued another policy unless he pays the delinquent account or pays cash for the next policy.

4% Discount Will Be Given Those Who Pay Cash for Their 1949 Hail Insurance. For example, if the regular premium figures \$100 and the applicant offers cash for the hail insurance, the county assessor will receive \$96 as full payment.

When to Insure. Experience shows that placing hail insurance on growing crops should not be done until they show a reasonable chance of producing a fair return. **No allowance will be made for hail damage on any grain until at least 75% of the plants are plainly stemming.** Damage early in the hail season is difficult to estimate and adjustment may be delayed until the extent of the damage may be better estimated. **No policies will be issued after August 15th.**

How Much Hail Insurance Per Acre on Grain. All non-irrigated grain may be insured for not more than \$10 per acre except barley, which is limited to \$8. **Irrigated grain may be insured up to \$20 per acre except barley, which is limited to \$16.**

Hail Insurance on Special Crops. Not more than the amount shown after each of the following crops may be carried on each acre for 1949:

Irrigated: beans, peas, sugar beets, corn, potatoes.....	\$20
Non-irrigated: mustard, beans, peas.....	\$10
Irrigated or non-irrigated: alfalfa seed.....	\$12
Non-irrigated corn	\$12

Hail Insurance on Mustard, Non-Irrigated Beans and Peas. Any farmer desiring to insure these crops must carry an equal risk on wheat and must include it on the same application unless cash is paid for the hail insurance. If the applicant does not have insurable wheat, other grain may be substituted.

Reduced Rates in Case of Crop Failure. When any insured crop is badly damaged or destroyed by other means than hail, the hail insurance may be terminated and the cost of the insurance will be reduced as shown by paragraphs 17 and 18-A on the application and policy. If the damage occurs after the dates provided in paragraphs 17 and 18-A, the insured may still obtain a reduction of his premium charge under the provisions of paragraph 18-B.

When to File For Hail Loss. When any insured crop is believed to be damaged at least 5%, the insured should immediately mail a claim for loss to the **STATE BOARD OF HAIL INSURANCE** at Helena, Montana. All claims for loss must be filed within 3 days after the damage was sustained.

When Not to File Loss Claims. Each year a large number of loss claims are filed on fields where little or no damage by hail is found. Many of these fields show a small infestation of Hessian Fly where the infested straws lean over and sometimes go down full length. Hessian Flies have weakened the straws close to the ground and the damage is not caused by hail. Many other fields, following light hail storms, have been found to be lightly damaged by Crinkle Joint, Kinked heads and Wheat Stem Saw Flies. The damage, most times, has been overlooked until the light hail storm comes. More care in examining the fields before claiming hail loss will save your Hail Department hundreds of dollars each year. The Hail Department belongs to those who insure, and more care in reporting light losses will make a big saving which can be used to reduce the cost of hail insurance.

ADJUSTMENT OF HAIL LOSSES will be made by adjusters who have had lots of experience in farming and the adjusting of hail losses. Their experience enables them to estimate the loss accurately. They are instructed to give every claim careful consideration and they will fully cooperate with the grain growers in adjusting all losses.

STATE HAIL INSURANCE IS A MUTUAL OR COOPERATIVE FUND. All of the money grain growers pay for their hail insurance is used for that purpose only. During the many years the State Hail Insurance Fund has been operating, less than 8% of the cost of the hail insurance has been used to pay the operating costs. This means that more than 92% of the money paid for hail insurance has been used for the payment of hail losses. No other form of hail insurance has paid as high a percent of its funds for payment of losses.

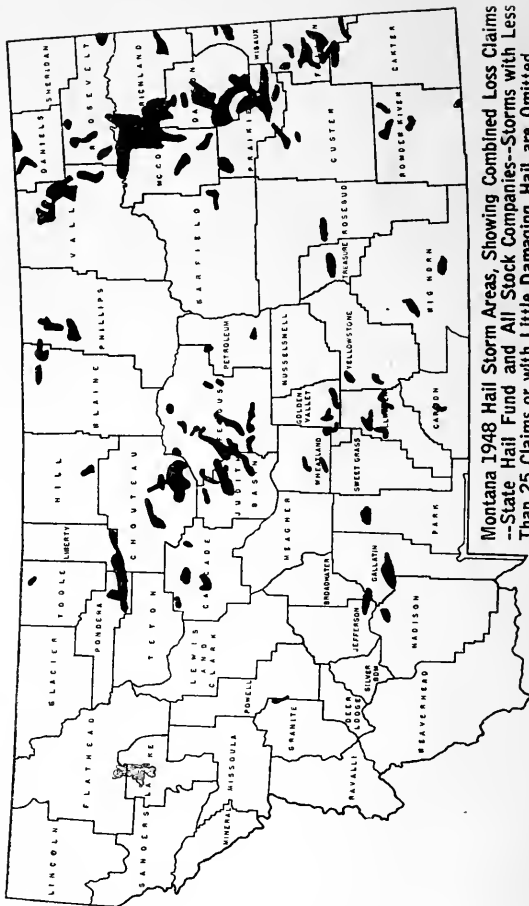
CASH PAYMENT FOR HAIL INSURANCE SECURES 4% DISCOUNT

When lending agencies, either public or private, advance funds to pay for hail insurance, they may be made joint payees on the policies. 4% discount will be figured on all cash policies. Example—If the premium figures \$100, then \$96 will be the amount to pay.

All grain growers who plan to borrow money to finance their farming operations, should be sure to make their loans large enough to include money to use for cash payment for hail insurance.



McKEE PRINTING CO., BUTTE, MONT.



Montana 1948 Hail Storm Areas, Showing Combined Loss Claims
 --State Hail Fund and All Stock Companies--Storms with Less
 Than 25 Claims or with Little Damaging Hail are Omitted.

MEMBERS OF THE STATE BOARD OF HAIL INSURANCE

E. K. Bowman, Chairman, Helena
 Willis Violet, Lothair
 Jens Olsen, Dagmar
 Alfred R. Anderson, Helena,
 Commissioner of Agriculture.
 Niel Fisher, Helena, State Treasurer.

It is the duty of the county assessors to furnish grain growers with full information regarding State hail insurance. This folder is issued for the purpose of assisting them in furnishing it.

Hail Insurance is a Necessary Cost of Raising Grain.

As soon as your 1949 crops are insurable we hope you will make application for insurance through your county assessor. There is always a chance that hail may destroy your crops and you can eliminate your worry by carrying hail insurance.

Issued April 1, 1949, by the
 STATE BOARD OF HAIL INSURANCE
 Helena, Montana